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| | | |
|---------------------|---|-------------|
| AGREEMENTS: | Anglo-Argentine Trade (extension) | 100 |
| | Soviet-Finnish Financial | 127 |
| | West German-Rumanian Trade | 112 |
| CONFERENCES: | Benelux Ministers | 100 |
| | Berlin Four-Power Conference of Foreign Ministers | 100-108 |
| DISORDERS: | Aden | 100 |
| | India | 115-116 |
| | Israeli-Jordan | 119 |
| | Italy | 119 |
| | Nigeria | 121 |
| DISPUTES: | Antarctic | 100 |
| | Franco-Spanish <i>re</i> Morocco | 110-12, 123 |
| | Iraqi-Syrian | 117-18, 124 |
| | Israeli-Egyptian <i>re</i> Suez Canal | 109, 125-6 |
| GOVERNMENT CHANGES: | Italy | 118 |
| | Libya | 120 |
| REPORTS | Mr Butler on the Commonwealth Finance Conference | 112 |
| SPEECHES | Sir Andrew Cohen on policy in Uganda | 124-5 |
| AND | E.C.E. Report on Steel | 125 |
| STATEMENTS | President Eisenhower's Message to Congress on the Atomic Energy Act | 127 |
| | Gen. Franco on Morocco | 123 |
| | Gen. Guillaume on reforms in Morocco | 110-11 |
| | Mr Hansen on Danish Foreign Policy | 109 |
| | International Monetary Fund Report on Indian Economy | 115 |
| | Mr Lyttelton on British Guiana | 114 |
| | Mr Lyttelton on new Nigerian Constitution | 114 |
| | O.E.E.C. Report on European Economy | 122 |
| | Russian Communist Party Manifesto | 127 |
| | M. Maurice Schumann on Morocco | 111 |
| | Soviet Minister of Foreign Trade on trade with United Kingdom | 127 |

ADEN PROTECTORATE. 8 Feb.—It was announced that, in fighting on 6, 7 and 8 February between Arab and Somali workmen in the new refinery, 121 casualties had been caused, including two killed. Order had been restored by the military.

ARGENTINA. 8 Feb.—**Anglo-Argentine Trade Agreement.** A third and last protocol to the five-year agreement of 1949 was signed at the Foreign Ministry. It provided for an extension up to the end of June 1954 of the protocol which expired at the end of 1953, and for £101 m. worth of mutual trade during the six months. Neither textiles nor motor cars were included on the list of Argentine imports of non-essential goods. Argentine exports were to consist of about 119,000 tons of frozen meat and by-products, 8,900 tons of tinned meat, and other products to the value of £31 m. Argentine meat prices remained unchanged.

17 Feb.—**Antarctica.** The Ministry of Marine announced that the Minister of Marine would begin on 19 February a tour of inspection of detachments maintained by the Navy in 'Argentine Antarctica'. It was stated that the visit would be the first by a Cabinet Minister 'to our Antarctic sector'.

AUSTRALIA. 15 Feb.—H.M. Queen Elizabeth opened the Federal Parliament in Canberra.

16 Feb.—**Tariffs.** Higher tariffs were imposed on a number of imports, including cotton sheetings, paper, and motor vehicle parts.

AUSTRIA. 9 Feb.—**Four-Power Conference.** Dr Figl, Foreign Minister, left for Berlin to attend the conference of Foreign Ministers.

12 Feb.—**Berlin Four-Power Conference of Foreign Ministers** *q.v.*

16 Feb.—The Cabinet heard a report from Herr Raab, the Chancellor, on the Berlin conference and unanimously approved the firm stand taken by Dr Figl.

A meeting of the People's Party registered its 'burning protest' against the Soviet proposals. A similar protest was made by Herr Jonas, the burgomaster of Vienna, at a Socialist Party rally.

BENELUX. 5 Feb.—**Trade Policy.** The Conference of Ministers of the Benelux countries, meeting in Brussels, decided to introduce from 1 March a joint policy with regard to their relations with other countries in the O.E.E.C., and to introduce common lists of regulations for liberalization of trade and imports. It agreed to unify the programme of imports from the dollar area and to consider plans to adopt the same attitude towards imports from the O.E.E.C. area. It also agreed to prepare for joint trade negotiations with countries outside Benelux.

BERLIN FOUR-POWER CONFERENCE OF FOREIGN MINISTERS. 4 Feb.—**Germany.** Mr Molotov rejected Mr Eden's plan presented on 29 January, declaring that it showed a formal con-

stitutionalism, paid too much attention to parliamentary institutions, and would not lead to a lasting peace nor guarantee the emergence of a democratic peace-loving Germany.

New Soviet Proposal. Mr Molotov proposed instead the formation of an all-German provisional Government which would draft an electoral law to ensure democratic elections and to preclude, *inter alia*, pressure on voters by big monopolies. The elections would be held without interference by foreign Powers. The provisional Government could displace the two existing Governments, or, should this prove impossible, the latter could remain in being for a time. The tasks of the provisional Government would be to represent Germany during the preparation of a peace treaty; to prevent Germany from being involved in coalitions or military alliances directed against any Power which took part in the war against Hitlerite Germany; to ensure freedom to democratic parties and organizations; to prevent the existence of Fascist, militaristic, and other organizations hostile to peace and democracy; and to develop economic, trade, and cultural relations between east and west Germany. According to the proposal, plenipotentiaries from east and west Germany would meet to agree on the procedure for setting up the provisional Government. The four Powers should take measures to preclude any interference and pressure by foreign Powers during the elections and to ensure this should withdraw occupation troops before the elections except limited contingents for protective duties.

5 Feb.—Mr Dulles accused Mr Molotov of having rejected the British plan because he was afraid of free elections, and he asserted that the cornerstone of Mr Molotov's proposals—the government of the German 'democratic republic'—would have been forcibly ejected from power in June but for 'elements of twenty-two Soviet divisions, including tanks and armoured cars'. He declared that Mr Molotov's proposals were not authentic and that he was 'attempting to hold on to the Soviet position in east Germany by preventing free elections'.

M. Bidault said that the Soviet proposals were devoid of practical value. German unity could never result from the combination of two regimes which were diametrically opposed.

Mr Eden, replying to Mr Molotov's criticisms of his plan, said it aimed at providing a practical means by which the Germans could choose between the incompatible systems of east and west Germany. It was not true that under the plan Germany would not be free to choose its own foreign alliances. Nor would free elections enable the militarists to seize power: the elections in west Germany had resulted in a decisive defeat for the extremists. Mr Molotov's proposal for the withdrawal of the occupation troops was not acceptable because it would denude west Germany of its sole protection and leave it at the mercy of the east German 'people's police'. Free elections were not impossible under an occupation. 'Austria was a good example; so was west Germany'.

Mr Eden suggested that perhaps Mr Molotov aimed at weakening or destroying the security of western Europe. His proposals, whatever the motive behind them, were unacceptable. They conflicted with three

Berlin Four-Power Conference of Foreign Ministers (*continued*) basic western principles. They proposed that the occupying Powers should forgo their responsibility to give Germany a free choice; that a provisional Government should be formed from east and west Germany (which was impossible); and that Germany should be restricted in her choice of alliances.

Mr Molotov insisted that parliamentary procedure led to the assumption of power by the forces of reaction and revenge, and he asked whether elections under the Eden plan would be really free. The idea of supervision was inadmissible, whether neutrals were included or not. He urged that the east and west German regimes should be encouraged to get closer, declaring that just as the four Powers with different regimes could negotiate, so might the east and west Germans.

6 Feb.—M. Bidault suggested that the election supervisory commission under the British plan might consist of one representative each from east and west Germany and a neutral arbitrator.

Mr Eden accepted the proposal. He also informed Mr Molotov that Britain would be ready to prolong the twenty-year Anglo-Soviet treaty of 1942.

Mr Molotov proposed that Germany should be relieved, with effect from 1 January 1954, of all reparations and post-war national debts except commercial debts; that occupation costs falling on the budgets of the two German regimes should be reduced to a sum not exceeding 5 per cent of the budget of each regime; and that Germany should be relieved of other occupation costs incurred since 1945.

Mr Dulles pointed to the 'phenomenal' economic improvement in recent years in west Germany, due at any rate in large part to allied aid, which had been brought about in spite of the fact that the west German economy had had to absorb many thousands of refugees.

8 Feb.—The Foreign Ministers discussed in secret restricted session questions under the first item of the agenda (measures to reduce international tensions and the convening of a five-Power conference).

9 Feb.—Germany and European Security. The Ministers returned to discussion in open session of the second item of the agenda, but nothing new emerged. Mr Molotov again repeated that the British plan for free elections was undemocratic because the elections would not be carried out by the Germans themselves. He claimed that production in the Soviet zone was higher than in west Germany. M. Bidault pointed out to Mr Molotov that though he insisted that the European Defence Community must be abolished he had not suggested doing away with the Soviet Government's security arrangements. Mr Eden referred to the Soviet proposal that no more reparations should be taken from Germany after 1 January 1954 and pointed out that the British Government had taken none for four years and had never taken any from current production as the Russians had done.

10 Feb.—*Soviet Proposal for European Collective Security Pact.* Mr Molotov tabled proposals for a fifty-year European collective security pact, open to all European States 'without regard to their social systems' and to the two existing German regimes and later a

reunified Germany. The main points were: (1) the pact would not impair the jurisdiction of the occupation Powers in regard to the German problem 'which is to be settled in the manner previously determined by the four Powers'; (2) the parties would agree to refrain from attacks on one another and would consult in case of the danger of an armed attack in Europe; (3) an attack on any one party would be considered an attack on all and would call for all possible assistance from other States including the use of armed force; (4) the parties would undertake to discuss jointly at an early date the procedure under which assistance should be rendered by members to meet a situation calling for the re-establishment and maintenance of peace in Europe; (5) the parties would 'undertake not to enter any coalition or alliance or conclude any agreement the purposes of which would contradict the purposes of the treaty'; (6) machinery for consultation on political and military questions would be set up and invitations sent to the United States and China to send observers.

Soviet Memorandum on Neutralization of Germany. Mr Molotov also circulated a document, entitled 'Safeguarding security in Europe', containing the following proposals: (1) Pending a German peace treaty and reunification, the Powers should withdraw within six months their occupation forces, except contingents for protective functions, the strength of which should be determined by four-Power agreement. In the event of a threat to security in either part of Germany, Soviet forces could be moved back into east Germany or western forces into west Germany. (2) For the maintenance of internal order and frontier defence the two parts of Germany should have police units, the strength and armament of which should be determined by four-Power agreement. (3) Four-Power inspection groups should supervise the carrying-out of the agreement. (4) In accordance with these provisions 'which should ensure the neutralization of Germany and the creation of conditions favourable to the settlement of the German problem in the interests of consolidating peace in Europe, the four Powers shall take urgent steps to facilitate the conclusion of a treaty on collective security among the European States which shall provide for appropriate guarantees against aggression and the violation of peace in Europe'. To this end the four Powers would convene an appropriate conference of European States.

Mr Molotov claimed that N.A.T.O. resembled the pre-war anti-Comintern pact between Germany, Italy, and Japan, and he rejected any security guarantee which might be offered to Russia so long as it failed to guarantee against a revival of German militarism.

M. Bidault pointed out that Mr Molotov's collective security plan would neutralize not only western Germany but western Europe and would perpetuate the organized division of Germany for a further fifty years. In the French view collective security in Europe must include other States, in particular Britain and the United States.

Mr Eden said Mr Molotov's proposals appeared to be designed to break up N.A.T.O. and keep the United States and her forces out of Europe. He thought there was no possibility that they could provide the

Berlin Four-Power Conference of Foreign Ministers (*continued*) basis for a settlement. Mr Dulles also said that that part of the proposals which referred to Germany was quite unacceptable.

11 Feb.—The Foreign Ministers again discussed in restricted session measures for reducing international tension.

12 Feb.—The Foreign Ministers continued their discussions in restricted session on measures to reduce international tensions and the convening of a five-Power conference.

Austria. Dr Figl, Austrian Foreign Minister, read a statement in which he asked for full participation in the conference (which was subsequently granted), and appealed to the Ministers to redeem their eleven-year pledge to restore full independence to Austria. He said that continued occupation placed heavy burdens on the country, and he characterized as 'harsh and inequitable' the clause in the draft treaty which would require Austria to pay \$150 m. in convertible currency and not from current production in redemption of the former German assets claimed by Russia. He also declared that the clauses granting a thirty-year lease of the oilfields to Russia were hardly consistent with the full economic sovereignty of Austria. He concluded with a formal request for a revision of the economic clauses. Mr Eden, Mr Dulles, and M. Bidault supported Dr Figl's request. Mr Eden proposed that the Ministers should proceed to settle the five remaining unagreed articles of the treaty and to consider Dr Figl's request. Mr Dulles asserted that Russia had extracted from the so-called German assets since 1949 at least \$200 m. in net profits—a sum far larger than the lump sum fixed by Russia in 1949 as the price for the return to Austria of only some of these assets.

Soviet Proposals. Mr Molotov proposed: (1) That the four Deputy Foreign Ministers should be instructed to complete the draft of the treaty within three months. (2) That a clause should be added to the draft providing that (a) Austria should not enter into any coalition or military alliance directed against any Power which fought against Germany; (b) Austria should not permit the establishment on its territory of foreign military bases and not permit the use of foreign military instructors and specialists in Austria; (c) the four Powers should assume the obligation to observe this article. (3) Austria should be able to pay Russia in goods instead of in convertible currency the \$150 m. for the former German assets in Austria. (4) In order to ensure against an *Anschluss* between Austria and Germany the occupation troops should remain in Austria, with the exception of Vienna, until the German peace treaty should enter into force. They would not, however, perform occupation duties and their legal status would have to be determined by the four Powers and Austria. (5) The four deputies should be instructed to consider this question 'in connection with the proposal of the Soviet Government that the city of Trieste and the territory adjacent to it shall not be used as a military base'.

Mr Molotov blamed the western Powers for the long delay over the treaty, declaring that they had taken over two years to agree to certain Soviet claims, and that they had delayed progress by proposing the so-

called abbreviated treaty. He argued that they had broken the terms of the Italian peace treaty by maintaining a base in Trieste and that it was necessary to take this into account before the Austrian treaty could be concluded. To ensure the peaceful and democratic development of Austria an additional clause was required in the draft treaty to prevent Austria from joining military alliances. The western Powers were reviving German militarism, and already German monopolists were being supported in certain circles in Austria. It was therefore necessary to prohibit an *Anschluss* until a German peace treaty could be concluded.

13 Feb.—Dr Figl said that the Soviet proposal to keep occupation troops in Austria until the conclusion of a German peace treaty would postpone indefinitely all real hopes of liberation from foreign occupation, and he asked how he could submit any such proposal to his Parliament. He declared that his Government had empowered him to state that Austria had no intention of entering into any military alliances and was willing to abide by the principles of the United Nations.

The three western Foreign Ministers rejected Mr Molotov's proposals and appealed to him to return to discussion of the draft treaty, but Mr Molotov stood by his proposals, his main argument being that in view of 'almost one hundred' U.S. bases in Europe Russia had to think of her security.

Mr Dulles then stated that the United States was prepared to accept the Soviet version of the first of the five disagreed articles of the draft treaty—Article 16. Mr Eden and M. Bidault thereupon offered to accept the Soviet version of all five disagreed articles. Mr Eden was also prepared to accept a new Soviet version of Article 9 (one of the agreed articles), but he added two provisos: that the agreed articles should not be reopened, and that his offer would remain open only for the duration of the conference. He also said that he would not insist on the revision of Article 35 (concerning German assets) for which Dr Figl had pleaded.

Mr Molotov insisted that he could not accept these offers unless the 'matters of real importance' contained in his own proposals had been dealt with first.

14 Feb.—Mr Dulles joined Mr Eden and M. Bidault in accepting both the Soviet version of the five outstanding articles and the new Soviet version of Article 9, and formally proposed that the treaty should be signed on 18 February.

Mr Molotov said that in view of this concession there would be no need for the deputies to reconsider the original clauses of the draft. In regard to Trieste he suggested that the four Powers should invite the Security Council to secure the fulfilment of the Italian peace treaty in respect of the Free Territory. He then proposed the addition to the draft treaty of a new article containing his proposal of 12 February for the neutralization of Austria, and the modification of Article 33 on the lines of his proposal for the retention of occupation troops until the entry into force of the German peace treaty.

Dr Figl said that although his Government considered that many of the clauses in the original draft treaty were inequitable it was ready

Berlin Four-Power Conference of Foreign Ministers (*continued*)
to accept Mr Dulles' proposal in order to regain national freedom. He had no instructions from his Government to accept Mr Molotov's proposals.

It was agreed that the conference should discuss the treaty again after Dr Figl had heard from his Government.

15 Feb.—The Ministers discussed in secret restricted session proposals, under item one of the agenda, for a conference on Far Eastern questions.

Germany and European Security. The Foreign Ministers returned to discussion of the second item of the agenda.

M. Bidault said that collective security was assured by the United Nations, and that regional defensive organizations within the framework of the United Nations could not be limited by the boundaries of one continent, particularly Europe. A first step to a European settlement was a German settlement and an Austrian treaty, and the crowning act could be the establishment of common institutions between the European States with a view to reinforcing existing security guarantees. Security in relation to Germany could be assured by: (1) mutual aid agreements concluded during the war; (2) the inability of Germany to take independent action in the military field; (3) the assumption by Germany of the obligations of the U.N. Charter; and (4) an undertaking by the Government of a united Germany not to modify the rules limiting her freedom of action in the military field. All these provisions aimed at restoring to Germany her due place in the community of peaceful nations while eliminating any danger to security.

Referring to Mr Molotov's collective security pact for Europe, M. Bidault pointed out that European nations, like the Soviet Union, had interests astride Europe, and the continent was sub-divided into two camps. Under Mr Molotov's plan the Soviet Union would have military preponderance with, inevitably, political results. Russia would be allowed to send troops back to Germany and thus apply a means of permanent pressure on the centre of Europe. The plan also left Germany indefinitely divided. M. Bidault asked Mr Molotov to state categorically whether N.A.T.O. was inconsistent with his plan. He said that if a general settlement and disarmament could not be secured the only alternative was peaceful co-existence with the western nations maintaining their alliances.

Mr Eden referred to the provision in the Soviet security plan that the parties should be prohibited from taking part in alliances 'contrary to the purposes of the treaty' and said N.A.T.O. was clearly included in this category because Mr Molotov had not only said it was directed against Russia but had also attacked the military bases on which N.A.T.O.'s security depended. Also he had excluded the United States from the defence of Europe in his plan. Mr Eden said the British offers still stood, but Britain would not sacrifice N.A.T.O.

Mr Molotov offered certain modifications of his plan. He was ready to withdraw the proposal that the German police should be controlled, after the withdrawal of occupation troops, by teams on which the four

Powers were represented. He suggested instead Russian control in east Germany and three-Power control in west Germany, or that the idea of control should be dropped. He was also prepared to consider replacing or dropping the article providing that the United States and China should act as observers in the European security institutions.

Mr Dulles listed a series of events since 1947 which, he said, had led the west to create N.A.T.O. for self-defence. He declared that Mr Molotov had rejected the Eden plan for Germany because he could not accept free elections. The Soviet Union had shown itself unable to trust anything it could not control.

16 Feb.—Austria. Dr Figl declared that his Government could not agree to the additional articles proposed by Mr Molotov as they would deprive Austria of the most essential advantage of the treaty—the withdrawal of foreign troops. He said he had already made it clear that Austria would keep herself free from foreign military influences which meant that she would not allow foreign military bases on her territory, and he asked Mr Molotov to believe that Austria was as interested as any other Government in preventing a new *anschluss*. Dr Figl then listed the various 'German assets' that Austria would have to turn over to Russia under the economic clauses and emphasized the heavy burden which she was prepared to accept as a price for freedom.

Mr Eden supported Dr Figl and repeated that the Russian amendment providing for the retention of occupation troops was quite unacceptable. He pointed out that under the new amendments to the economic clauses it would be necessary for Russia and Austria to sign supplementary agreements under Article 48b (compensation for loans, goods, and services from the Soviet Union) and Article 35 (compensation for German assets in the Soviet zone). These agreements would come into force at the same time as the treaty, but talks on the amount payable under Article 48b had been going on for about five years and there was no reason to think they would go any quicker now. Mr Eden emphasized that the western Powers had agreed to everything the Soviet Government had asked for before the conference began.

Mr Molotov proposed a modification of the article on the retention of troops according to which occupation forces would remain after the conclusion of the treaty but the four Powers would undertake to reconsider the question 'not later than in 1955'. He also suggested that a formula might be found limiting the troops' functions so as to safeguard the political and economic life of Austria. The three western Ministers and Dr Figl rejected the former proposal, on the grounds that it made no difference to the real position (the troops would still be there) and merely postponed for eighteen months a decision which should be taken at once.

17 Feb.—The Foreign Ministers discussed in secret restricted session questions under the first item of the agenda (measures to reduce international tension and the convening of a five-Power conference).

Germany and European Security. Mr Molotov pointed to the possibility of an early withdrawal of occupation forces from Germany if his security pact were accepted. He said his treaty was an alternative to

Berlin Four-Power Conference of Foreign Ministers (*continued*) E.D.C., but he would have to study the question of its compatibility with N.A.T.O., as there were different interpretations of N.A.T.O. and he could not agree with the western Ministers that it was a defensive organization. He suggested that N.A.T.O. might be amended to avoid the possibility of different interpretations.

German Police. Mr Molotov said that there were differences of opinion on the strength of the east and west German police and he proposed that the four Governments 'consider it desirable to have agreement achieved by the parties on the German police, both in eastern and western Germany, including matters relating to the strength and armament of all types of police'. Mr Molotov later said that the strength of the militarized detachments of police in west Germany was 213,000, and that there were also German forces under the control of the allied forces totalling a further 150,000 men which constituted prepared cadres for a future German army.

Proposal for East-West German Committees. Mr Molotov also proposed that the four Powers should recommend the appropriate bodies in east and west Germany '(a) to set up an all-German committee with the function of agreement and co-ordination in the fields of commerce, settlement of accounts, transport, frontier, and other matters connected with economic relations; (b) to set up an all-German committee on the development of cultural, scientific, and sport relations with a view to eliminating the existing obstacles to the development of German culture'.

Mr Dulles disputed a view expressed by Mr Molotov that all Germans desired the withdrawal of the four Powers' forces from Germany, arguing that it would create the same situation as in Korea before 1950, when the withdrawal of troops had led not to security but to war. He said that he would consider Mr Molotov's proposal for all-German committees.

M. Bidault said that there was no possible parallel between a withdrawal of Soviet troops a few score kilometres east and the destruction of the western defensive arrangements.

Mr Eden said that in spite of what Mr Molotov had just said about N.A.T.O. he had made quite clear during the conference that N.A.T.O. and E.D.C. were equally condemned. He said that the numbers of the west German police given by Mr Molotov conflicted with the facts known to the western powers. There was no reason to fear any comparison between east and west Germany in that respect.

CANADA. 5 Feb.—Prime Minister's visit to Europe and Asia (*see Great Britain*).

6 Feb.—**Budget.** Mr Abbott, Finance Minister, tabled estimates for a total budgetary expenditure of \$4,492 m. in the next fiscal year. This represented an increase of 1.3 per cent on the current year's estimates. The figure for national defence was \$1,955 m. (about \$126 m. less than the amount approved for the current year).

7 Feb.—Prime Minister in France (*see France*).

CHINA. 7 Feb.—Trade with the West. According to a U.N. report, China's trade with the non-Communist world rose sharply during the first half of 1953 compared with the previous year. Non-Communist exports to China had a value of \$163,300,000 against \$112,200,000 for the same period of 1952, while China's exports to non-Communist countries rose from \$151,100,000 to \$205,100,000.

10 Feb.—Great Britain. The British Government delivered a third Note maintaining its protest at the attack on a British vessel on 9 September 1953, and its claim to £20,000 compensation. (The Note was in reply to a Chinese Note of 22 January which sought to lay the blame on the British vessel.)

DENMARK. 17 Feb.—E.D.C. Mr Hansen, Foreign Minister, speaking in a debate on foreign policy said that if Germany were to remain divided and tension to be continued Denmark agreed with other western countries that Germany must be included in a common defence system. He said that Denmark's adherence to the idea of a European army conflicted with the Danish memorandum of January 1947 regarding Germany's future, but he pointed out that much had happened since then and Germany would be under fully democratic guarantees and the Community's control.

EGYPT. 4 Feb.—British protest *re* kidnapping and detention of soldiers (*see Great Britain*).

5 Feb.—Debate on Israeli-Egyptian dispute (*see United Nations, Security Council*).

7 Feb.—Turkey. It was learned that the Government had received a Note from Turkey refusing to accept the reasons given by Egypt for the expulsion on 4 January of Mr Fuat Tugay, the Turkish Ambassador to Egypt.

8 Feb.—Boycott of Israel. The Government issued amended regulations detailing in what circumstances calls by ships at Israeli ports would result in the ships being blacklisted and thus denied all Egyptian port facilities.

10 Feb.—Steel Works. It was announced that the National Production Council had reached an agreement with the German firm of Demag, Duisberg, for building an iron and steel works near Helwan. The works would be run by an Egyptian company with a capital of £E10 m. of which 51 per cent would be Egyptian.

17 Feb.—Sudan. Major Salah Salem, Minister of National Guidance, blamed the British for anti-northern demonstrations by tribesmen at Juba, in the southern Sudan.

Canal Zone. Egyptian terrorists injured a British soldier in an ambush in the Canal zone.

ETHIOPIA. 11 Feb.—Yugoslavia. The Emperor Haile Selassie was presented with the Great Star of Yugoslavia (the highest decoration in Yugoslavia) by the Yugoslav Chief of Staff acting on behalf of Marshal Tito. The Emperor was the first foreigner to receive the decoration.

FINLAND. 6 Feb.—Soviet loan (*see U.S.S.R.*).

11 Feb.—**Espionage.** The High Court sentenced six persons to prison terms varying from one to eight years for espionage on behalf of a foreign Power, understood to be Russia. Two Air Force officers were sentenced to two years' and ten months' imprisonment respectively for espionage for a foreign Power understood to be Sweden.

FORMOSA. 11 Feb.—U.S. allotment for agricultural purchases (*see United States*).

15 Feb.—All thirty-two members of the central executive committee of the Kuomintang rejected a suggestion of Gen. Chiang Kai-shek that he should stand down from the forthcoming Presidential election.

In a letter from New York published in a Hong Kong newspaper, Gen. Li Tsungjen, Vice-President of Nationalist China, appealed to Gen. Chiang Kai-shek not to hold another unlawful election. He wrote that such action would deprive Formosa of its legal and constitutional foundations and would strengthen the Communists, and he claimed that the 'reign of terror' was as bad in Formosa as in Communist China.

FRANCE. 4 Feb.—**Wages.** The Cabinet adopted a decree providing that the total monthly wage should not be allowed to fall below 20,000 frs (about £20) even if the hours should fall below 200, and providing also for a cost of living bonus of up to 15 frs (3½d.) an hour for those whose hourly rate of pay was less than 115 frs (2s. 5d.). The national minimum wage remained fixed at 100 frs an hour.

Faure Plan. The Government also accepted a plan submitted by M. Faure, Finance Minister, for an approximate 10 per cent expansion over eighteen months of industrial production, national revenue, and purchasing power. The first measures to be taken included a reduction of the bank rate by ¼ per cent to 3½ per cent, the provision of long-term public loans for the development of private firms (about £10 m. to be provided immediately), and the continuance of temporary tax rebates on sums spent by firms on new machinery and equipment. A Government statement said that at the end of the eighteen-month period the economy should be able to stand the optimum degree of trade liberalization recommended by the expert committee studying price discrepancies between France and her chief competitors.

6 Feb.—**Morocco.** Gen. Guillaume, French Resident-General in Morocco, said in a speech at Marseilles, that the reforms introduced after the accession of the Sultan had three aims: decentralization of powers, the reorganization of justice, and the closer association of Moroccans and French in public affairs. The first step had already been taken with the creation of the Conseil Restreint, or inner Cabinet, and by the reform of the council of viziers and directors. These steps had ended the previous regime based on the Sultan's absolute and theocratic power. The judicial reforms, promulgated in November 1953, would institute, for the first time in Morocco, law courts independent of the executive. The reform of representative institutions at all levels would

be initiated in April with the creation of local assemblies in country districts, while in the towns deliberative municipal commissions would be elected within a few months in place of the existing consultative committees. Reforms in the regional assemblies and central Council of Government would be drawn up soon. To prepare Moroccan workers for trade unionism a plan was already being tried out for workers' assemblies in factories, to enable day-to-day questions to be settled by mutual agreement. In addition, efforts to improve housing and medical services would be continued.

7 Feb.—Indo-China. M. Pleven, Defence Minister, left for Indo-China, having been granted special powers of decision by the Government. He was accompanied by Gen. Ely, Chief of the General Staff.

Mr St Laurent, Canadian Prime Minister, arrived on a three-day official visit.

9 Feb.—Gen. Franco on Morocco (*see Spain*).

11 Feb.—Spain and Morocco. M. Maurice Schumann, Under-Secretary at the Foreign Ministry, declared in a statement to the Assembly's Foreign Affairs Committee that Gen. Franco had accused France of failing to respect the letter and the spirit of international agreements, and had declared that the Spanish zone of influence would in future be under the sovereignty of the Khalifah of Tetuan. These statements, following a propaganda campaign against France fostered by Gen. Franco and the Spanish authorities for several months past, constituted a threat to the unity of the Sherifian empire and made a clarification of the French position necessary.

M. Schumann asserted, first, that the French action on 20 August 1953 in sending the former Sultan into exile to prevent a general rebellion was fully in conformity with the treaty of 30 March 1912, by which France undertook the triple obligation of safeguarding the peace of the Sherifian empire, maintaining the dynasty, and assuring the personal safety of the sovereign. No agreement provided, even by implication, that France must consult Spain over dynastic questions in Morocco, and Spain had never in the past claimed any such rights. France's only obligation was to notify foreign Powers, from courtesy, of the accession of a new Sultan, as part of the exercise of her exclusive right over Moroccan relations with foreign Powers, which was expressly recognized by Spain in the convention of 27 November 1912.

Secondly, Gen. Franco's declaration on the 'sovereignty' of the Khalifah of Tetuan was contrary to Spain's own international engagements. The Franco-Spanish declaration of 1904, the Act of Algeciras, and the convention of 1912 all affirmed the integrity of the Sherifian empire under the sovereignty of the Sultan. The French Government had always respected Spanish interests in Morocco—for example by assuming a large share in the pacification of the Riff.

Finally, the present programme of reforms was a further step in the French policy of progress in Morocco. This progress was France's guarantee that Spanish attempts to destroy the unity of the Sherifian empire, to sap the Sultan's authority, and to sow trouble in a region vital to peace would be in vain.

France (continued)

It was announced that the French Ambassador to Madrid had been recalled for consultations.

The Foreign Ministry issued the text of the Notes exchanged with Spain after the Tetuan demonstration of 21 January. The French Note, dated 22 January, expressed surprise at the terms in which Gen. Valino, the Spanish High Commissioner, alluded to the events of August 1953 and at his 'inadmissible' references to the policy of the French residency at Rabat, and asked the Spanish Government what significance should be attached to these declarations. The Spanish reply, delivered at the French Embassy in Madrid on 5 February, stated that the 'event referred to' in the Note constituted a political internal act and the public expression of the inhabitants' convictions.

13 Feb.—Morocco. The Council of Ministers reaffirmed the Government's determination to safeguard the unity of the Sherifian empire and the sovereignty of the Sultan. The Council also emphasized the importance of the reforms envisaged in French Morocco and expressed the hope that they would be hastened as much as possible.

GERMANY. 8 Feb.—Rumania. A Rumanian delegation and the semi-official (west German) Eastern Committee of German Industry and Trade signed in Vienna a trade and payments agreement for an exchange of goods during 1954 worth \$16,350,000 on each side—about three times the 1953 figure. In the absence of diplomatic relations between Bonn and Bucharest no agreement between Governments was possible.

9 Feb.—U.S. allotment for purchase of surplus tobacco and cotton (*see United States*).

10 Feb.—Canada. Mr St Laurent, Canadian Prime Minister, arrived in Bonn in the course of a world tour.

16 Feb.—West Germany. Dollar Imports. The Government abolished dollar import restrictions on two thousand trade items in order to increase trade with the dollar area. Officials said that about 40 per cent of goods imported from the dollar area during 1953 would be placed on the free list.

GOLD COAST. 9 Feb.—Corruption Trial. Two former Ministerial secretaries, Ohene Djan and Atta Mensah, were sentenced by the Chief Justice to two years' imprisonment for corruption.

GREAT BRITAIN. 4 Feb.—Commonwealth Finance Conference. In a statement in the Commons Mr Butler, Chancellor of the Exchequer, emphasized both the success of the Sydney conference (*see pp. 40-43*) and also the success of policies adopted over the past year. He said there were three tests in measuring the past year's success. The reserves had risen from a deficit of £1,000 m. sterling in 1951-2 to a surplus of £908 m. sterling at the end of January 1954. Secondly, the position of sterling stood high in world markets: throughout 1953 the spot £/\$ rate stood above parity, and the black market rate had come for the first

time since World War II within the range of 2.73 to 2.82 dollars. The third satisfactory point was the way in which the various countries had tackled their internal policies.

Referring to the possibility of a recession in the United States, Mr Butler said that if the readjustment spoken of in the U.S. Economic Report really did come to an end soon it was most satisfactory that the U.K. reserves had been increased in spite of the U.S. and Canadian debt payments at the end of the year. In regard to the E.P.U., the Government had inherited a debt and had been keeping roughly level in their transactions. But they were likely to increase their debt with Europe in 1954. Mr Butler was opposed to curing this difficulty by restriction as he was convinced that if the Government went back on their liberalization policy the retaliation on British exports would be more severe. The course he recommended was to increase exports and those of the sterling area to the non-dollar world which included Europe.

The Chancellor did not expect the sterling area to be able to maintain its surplus at the 1952-3 level of £400 m. This had depended partly on drastic import restrictions which should not be retained longer than was necessary. The Government aimed at a continued surplus in the oversea account and expected a more robust surplus from the United Kingdom who were responsible for 60 per cent of the area's earnings. One of the main strengths of the sterling area were the manufacturing industries of the United Kingdom and that was why in any scheme for Commonwealth development the United Kingdom should be fairly treated.

Mr Butler gave examples of progress by new British exports, of which the most striking example was the aircraft industry whose exports had risen from £6 m. before the war to £70 m. in the last three years. A further considerable effort to increase exports was however still necessary. The Government had removed discrimination on dollar purchases in the sterling area, but only basic foodstuffs or raw materials had been purchased. The Government felt it was crucial to British exports and competitive power and to the standard of living that if foodstuffs and raw materials could be bought cheaply in the dollar market it should be done. The Commonwealth Ministers aimed at an expansion of Commonwealth trade by widening the area with which all traded. The U.K. Government had hoped for an abrogation of the 'no new preferences' rule in G.A.T.T. but other nations and the Commonwealth had been found not to be so keen. The Government however still believed in preferences and would like to use them wherever possible. The Commonwealth were looking to other methods of expanding trade while maintaining the current preference system. The sterling area was not self-sufficient, and its best policy was that adopted at the London conference of December 1952 of a collective approach, together with European and E.P.U. countries, towards a freer trade and payments system. This meant the linking up of the economies and finances of the free world in the same way as its foreign policy and defence were linked. Three conditions had been laid down as necessary to a freer trade and payments system—sounder internal policies, co-operation

Great Britain (*continued*)

from creditor countries such as the United States, and an adequate support for the reserves. Considerable progress had been achieved in each of these spheres.

Egypt. The Foreign Office confirmed that the British Ambassador in Cairo had protested to the Egyptian Foreign Minister against the kidnapping in June 1953 of two British soldiers who were detained for five months and later put in a ship for France.

Israel. In a speech in London, Mr Elath, the Israeli Ambassador, expressed apprehension regarding the stocks of arms and war materials which he said Egypt was accumulating. He said that to preserve peace in the area his Government was anxious for the addition of more specific provisions to the existing international guarantees and also wished to strengthen Israel's own physical capacity for self-defence against a surprise attack.

U.S.S.R. Soviet wish to increase trade (*see U.S.S.R.*)

5 Feb.—Mr St Laurent, Canadian Prime Minister, arrived on a two-day visit to London at the start of a six weeks' tour of western Europe and Asia.

8 Feb.—**British Guiana.** Mr Lyttelton, Colonial Secretary, told the Commons that detailed plans for immediate development in British Guiana were being worked out in the colony. The report of the International Bank was proving a great help. The cost for the next five years was unlikely to be less than £15 m. The Governor had produced detailed proposals for the next two years costing about £9 m., including over £3 m. for transport, communications, and other public works; over £2.5 m. for agriculture and forestry; £2.5 m. for social development, including a housing programme of £2 m.; and about £1 m. for agricultural and industrial credits to be administered by a credit corporation. As a first step H.M. Government had decided to make available a further grant of £3,125,000 from Colonial Development and Welfare funds and to provide facilities for up to £3,417,000 extra loans to be raised as required in London. With unspent money already available for development this would make up the £9 m. required.

Extension of Anglo-Argentine trade agreement (*see Argentina*).

10 Feb.—**Anglo-Japanese Payments Agreement.** The Commons rejected by 296 votes to 265 an Opposition motion regretting that the Government had entered into the agreement with Japan (*see p. 77*) without prior consultation with the industries concerned and without securing assurances that Japanese exporters would not revert to unfair practices. It accepted by 297 votes to 258 an amendment by a Conservative member welcoming the agreement but urging that any further arrangements should provide such safeguards for the textile industry as might be shown to be necessary in the coming year.

Nigeria. The report of the resumed conference on the Nigerian constitution, held in Lagos from 19 January to 1 February, was published as a White Paper (Cmd. 9059, S.O. 2s. 6d.).

In a statement to the Commons on the conference, Mr Lyttelton said the constitutional arrangements agreed on were based on the

realities of the existing political situation in Nigeria. The considerable differences between the regions were recognized by giving increased functions to the regional governments and making them more independent of the central government in carrying them out. The central government not only retained the functions essential to preserving the unity of Nigeria but gained strength and independence through the introduction of separate elections to the Federal Legislature.

10 Feb.—British Note to China *re* attack on ship (*see China*).

11 Feb.—U.S. allotment for agricultural purchases (*see United States*).

14 Feb.—Anglo-Soviet trade: British companies' contracts (*see U.S.S.R.*).

16 Feb.—**Trade with Russia.** Replying to a question in the Commons about Soviet proposals to import £400 m. worth of equipment from the United Kingdom, Mr Heathcoat Amory, Minister of State, Board of Trade, said he thought that as a rough estimate rather less than half of the business, perhaps up to a value of 2,000 m. roubles (about £175 m. or £180 m.) would be found to be free from strategic controls.

HONG KONG. 11 Feb.—The Government relaxed its ban on the re-export of Japanese goods to other parts of the sterling area.

INDIA. 6 Feb.—**Kashmir.** Adoption of report embodying Delhi agreements (*see Kashmir*).

8 Feb.—**International Monetary Fund Report.** The I.M.F. mission which visited India in 1953 published a report on Indian economic development in which it emphasized that India's basic economic problem was widespread poverty. The standard of living had deteriorated since the war and had become one of the lowest in the world. Development was vital but under the most favourable conditions and with the most generous provision of resources it would require the efforts of an entire generation. The purpose of the Indian five-year plan was to increase productivity so as to raise the national income from Rs.90,000 m. a year to Rs.100,000 m. by 1955-6. Total investment under the plan was estimated at approximately Rs.36,000 m. of which about half was to be Government investment. The mission considered that execution of this plan would undoubtedly exercise pressure on the economy, particularly on the balance of payments. The most serious dangers arose, however, from the possibility that resources would not be adequate without severe inflation. As domestic savings were calculated to amount to about Rs.28,000 m. during the period of the plan, foreign resources to the value of about Rs.8,000 m. would be required.

16 Feb.—**Calcutta Riots.** Riots started in Calcutta in protest against the arrest of school teachers who had been 'squatting' for five days outside Government House to demand higher pay. Four people were killed and sixty-five injured when the police fired to restore order. Forty-four people, including eight members of the West Bengal Legislative Assembly, were arrested. After the rioting had calmed down the West Bengal Government announced that it had substantially agreed to the teachers' demand for more pay.

India (continued)

17 Feb.—Police opened fire and troops were called out to quell renewed disturbances in Calcutta.

INDO-CHINA. 4 Feb.—The French High Command announced that the Viet-Minh 308th Division invading Laos had captured the posts of Ban Nam Bac and Muong Sai and had reached the first French defensive position about fifty-five miles north of Luang Prabang, the capital. The defenders had evacuated the post of Muong Ngoi to avoid being outflanked.

Viet-Minh activity in southern Laos was reported to have spread to the districts of Song Khone, south of Savannakhet, Khong Sedone, north of Paksé, and Attopeu, in the extreme south.

In central Viet-Nam, Viet-Minh forces, estimated at twelve battalions, pressed strongly in the Kontum and Pleiku sectors but were repulsed.

5 Feb.—French Union forces repulsed repeated assaults near Muong Sai on the western end of their defensive line guarding Luang Prabang.

6 Feb.—Despatch of U.S. bomber aircraft (*see United States*).

In the central Viet-Nam plateau Viet-Minh forces heavily attacked the post of Dak Dao, south-east of Kontum. There were also sharp clashes in the south near Bien Hoa, twelve miles north-east of Saigon, near Caibe, fifty-five miles south-west, and in the Sadec sector in the Mekong delta.

7 Feb.—**Laos.** King Sisavang Vong of Laos proclaimed that he would stay in the capital and that the Laotian Army would defend it to the last.

8 Feb.—Franco-Laotian forces evacuated an area north and north-west of Luang Prabang around Namhou Seng and the Suong rivers, regrouping within ten miles of the city.

In the Red River delta a Franco-Viet-Nameese mopping-up operation carried out in strength inflicted heavy casualties on a Viet-Minh battalion.

In southern Laos the French abandoned the town of Attopeu, on the Boloven plateau, about seventy miles east of Paksé.

9 Feb.—French officials announced the evacuation of Pakseng, about forty miles north-east of Luang Prabang. Viet-Minh advanced elements were reported to be only six to nine miles from the capital.

The Laotian Government issued a proclamation declaring that the army would defend Luang Prabang to the last and calling on the people to co-operate with the military authorities.

M. Pleven, French Defence Minister, arrived in Saigon with special powers, accompanied by Gen. Ely, French Chief of General Staff.

10 Feb.—The French Command announced the evacuation of Kontum in central Viet-Nam. The civilian population of 10,000 had already been evacuated. On the coast the Franco-Viet-Nameese operation of reconquest in the Thuy Ho area was said to be proceeding without incident and to have already brought 35,000 people under Viet-Nameese rule.

11 Feb.—Viet-Minh forces gained control of the whole of the plateau of Bolovens in southern Laos.

French troops evacuated Borikhane, 130 miles south-east of Luang Prabang near the Siamese border.

12 Feb.—Offer of troops by South Korea (*see Korea*).

Viet-Nam. A sharp engagement occurred between An-Khe and Pleiku in the central Viet-Nam plateau. In the delta, one of the new Viet-Nameese 'light battalions' was attacked by Viet-Minh near Phat Diem, seventy miles south-east of Hanoi, and was obliged to scatter after suffering casualties.

A sortie by the Dien Bien Phu garrison was turned back by heavy Viet-Minh fire.

Laos. Prince Savang Vatthana, Crown Prince of Laos, said while opening the Laotian Parliament at Vientiane that the Laotian people would respond to total war with total mobilization.

13 Feb.—**Laos.** Franco-Laotian and Viet-Minh patrols clashed six miles east of Luang Prabang. A parachute battalion was dropped to reinforce Muong Sai, fifty-five miles north of the capital. In central Laos a Franco-Laotian column reoccupied Mahaxay, thirty miles east of Thakhek.

14 Feb.—In central Viet-Nam a French offensive, designed to relieve pressure on Pleiku, failed to make contact with the enemy.

French mobile columns clashed with Viet-Minh units on both sides of the Mekong river about twelve miles from Luang Prabang. The main body of the Viet-Minh 308th Division was reported to be halted in the jungle more than thirty miles north of the city.

15 Feb.—In central Viet-Nam, French troops recaptured Pleibon, about fifteen miles east of Pleiku.

16 Feb.—**Viet-Nameese Army.** Ngujen Van Hinh, Chief of Staff of the Viet-Nameese Army, said that reports of recent desertions in the Army had been exaggerated. He claimed that desertions in the north were rare: in the south there had been 'several hundred' in the past three months. Of these, less than 5 per cent deliberately crossed to the Viet-Minh taking their arms; most simply wanted to return home. He said the effective strength of the army was 218,000 and it would be at least 330,000 by the end of the year. The chief handicap was the lack of trained officers.

French Union forces in Dien Bien Phu made a reconnaissance in force northwards towards the road leading to Lai Chau. In southern Laos a Viet-Minh attack with two battalions at Tchepone, the main defence between Quang Tri and Savannakhet, was repulsed with heavy losses to the Viet-Minh.

The French authorities in Hanoi said that Viet-Minh had massacred a number of inhabitants in a raid on the Viet-Nameese Catholic village of Than Thuong, forty miles south-east of Hanoi. They also reported that twenty French and Laotian Catholic missionaries and nuns had been kidnapped by the Viet-Minh in central Laos.

IRAQ. 5 Feb.—Syrian request for withdrawal of Iraqi military attaché (*see Syria*).

Syria. As a reprisal for Syria's request for the withdrawal of the

Iraq (*continued*)

Iraqi military attaché in Damascus, the Government ordered the Syrian military attaché to leave the country.

10 Feb.—Syrian complaint *re* Iraq (*see* Syria).

14 Feb.—Fadl-el-Jamali, Prime Minister, returned to Iraq after short visits to Jordan and Lebanon. It was stated that he had visited Beirut at the invitation of President Shamoun who wished to discuss ways in which Lebanon could use its good offices to alleviate Syrian-Iraqi tension. The purpose of the Prime Minister's visit to Amman was to reassure King Hussein that Iraq's federation proposals implied no threat to the Jordanian throne.

ISRAEL. 4 Feb.—Israeli Ambassador in London on Egypt and Israeli defence (*see* Great Britain).

5 Feb.—Debate of Israeli-Egyptian dispute (*see* United Nations, Security Council).

7 Feb.—**Arabs of Galilee.** The Government announced a relaxation of restrictions on the movement of Arabs in the Galilee area. The Ministry of Defence explained that the step had been taken because of 'improved security conditions in the area'.

15 Feb.—Frontier incident (*see* Jordan).

ITALY. 8 Feb.—President Einaudi entrusted Signor Scelba, Christian Democratic Minister of the Interior from 1948-53, with the task of forming a Government.

10 Feb.—**New Government.** President Einaudi approved a coalition Government formed by Signor Scelba from the Christian Democrat, Democratic Socialist, and Liberal Parties. The members were: *Prime Minister and Interior*, Signor Scelba (C.D.); *Deputy Prime Minister and Minister without Portfolio*, Signor Saragat (D.S.); *Minister without Portfolio responsible for liaison with Parliament*, Signor de Caro (L.); *Minister without Portfolio responsible for Fund for the South*, Signor Campilli (C.D.); *Minister without Portfolio responsible for Civil Service Reform*, Signor Tupini (C.D.); *Minister without Portfolio responsible for Tourism and Entertainments*, Senator Ponti (C.D.); *Foreign Affairs*, Signor Piccioni (C.D.); *Justice*, Senator Di Pietro (C.D.); *Budget*, Senator Vanoni (C.D.); *Treasury*, Senator Gava (C.D.); *Finance*, Signor Tremelloni (D.S.); *Defence*, Signor Taviani (C.D.); *Education*, Signor Martino (L.); *Public Works*, Senator Romita (D.S.); *Agriculture*, Senator Medici (C.D.); *Transport*, Signor Mattarelli (C.D.); *Posts*, Signor Cassiani (C.D.); *Industry*, Signor Villabruna (L.); *Labour*, Signor Vigorelli (D.S.); *Mercantile Marine*, Signor Tambroni (C.D.); *Foreign Trade*, Signor Martinelli (C.D.).

Strikes. The Communist-dominated General Confederation of Labour and the small non-Communist Union of Italian Labour opened a campaign for higher wages with a three-hour strike of industrial and transport workers in Liguria.

12 Feb.—**Canada.** Mr St Laurent, Canadian Prime Minister, arrived on an official visit in the course of his world tour.

16 Feb.—Strikes. Severe clashes took place in Rome between strikers and the police. Smaller clashes were also reported from other towns. About two and a half million land-workers were called out on strike.

17 Feb.—Workers in Piedmont took part in a 24-hour strike, and strikes were also called in Milan and the Marche. In Turin there were police charges and arrests.

At Mussomeli, in central Sicily, four men were shot dead and six wounded in a clash with the police during a demonstration against a new municipal water tax.

JORDAN. 14 Feb.—Visit of Prime Minister of Iraq (*see Iraq*).

15 Feb.—Frontier Incident. The press and publicity bureau announced that an Israeli patrol had fired on five Arab farmers from across the border and that one of the farmers had died from wounds received. A complaint had been lodged with the Mixed Armistice Commission.

KASHMIR. 6 Feb.—The Kashmir Constituent Assembly adopted unanimously (fifteen members did not attend) the reports of the basic principles committee (*see p. 81*) and the fundamental rights and citizenship committee embodying agreements reached in Delhi on the integration of the State within the Indian Union.

According to All-India Radio, the Chief Minister, Bakshi Ghulam Mohammed, said that the accession of Kashmir to India was final and irrevocable and no power on earth, not even the Security Council, could change it.

KENYA. 5 Feb.—Police. A commission of inquiry recommended sweeping reforms in the organization of the police and a complete end to the colour bar in the force.

7 Feb.—It was announced that security forces had killed in a running battle seventeen terrorists, including 'Brigadier Batu Batu', stated to be a deputy of 'Gen. China'. Security forces' casualties were one killed and three wounded.

8 Feb.—An experiment in mass interrogation by means of questionnaires was carried out in one of the African locations of Nairobi.

Emergency Figures. It was announced that in the week ended 6 February, forty-three terrorists were killed and forty-nine captured. Security forces' casualties were six killed and three wounded.

11 Feb.—Gen. Erskine, C.-in-C., announced in a broadcast the cancellation of all releases from the security forces and a new registration of Europeans between the ages of eighteen and forty-five. He indicated that there might be a further call-up after the registration in order to create a pool of reserves for urgent requirements.

15 Feb.—Emergency Figures. In the week ended 13 February ninety-four terrorists were killed, twelve captured, and seventy detained. Security forces' casualties were five killed and seven wounded. Nearly sixty loyal Kikuyu were killed or wounded during the week.

Kenya (*continued*)

The Government announced that the Kikuyu guard would be employed to serve in a combat role.

An inter-racial conference met in Nairobi to discuss the emergency. A standing committee was formed.

16 Feb.—The new parliamentary buildings were opened by the Governor who pointed out in his speech the dangers and deceptive attraction of the single party system, leading inevitably to dictatorship, and also of the danger of a development of party strife into bitterness.

It was announced that Mau Mau gangs had burnt down nine Christian schools in the Embu reserve on the slopes of Mount Kenya.

KOREA. 9 Feb.—A first contingent of Indian custodian troops sailed for India. They were accompanied by eighty-eight Chinese and North Korean prisoners who had refused repatriation and had asked to be sent to a neutral country.

U.N. Charge. The Military Armistice Commission requested the neutral Supervisory Commission to investigate a United Nations charge that the Communists had shipped unauthorized combat aircraft into North Korea.

11 Feb.—The neutral Supervisory Commission rejected the request to investigate the U.N. charge.

12 Feb.—South Korea. Mr Pyun Yung-tai, South Korean Foreign Minister, confirmed that his Government had offered to send a division to Indo-China to fight the Communists. The offer had been made to Gen. Hull, the U.N. Commander in the Far East.

Anti-Communist Alliance. Mr Pyun also discussed with a journalist a possible anti-Communist alliance which South Korea was seeking to sponsor with the Philippines, Formosa, Siam, and Indo-China, but not Japan.

LEBANON. 5 Feb.—Syria. Following the closing of the Syrian-Lebanese border (*see Syria*), President Shamoun asked Abdul Aziz ibn Zeid, Saudi Arabian Ambassador to the Levant States, to mediate with President Shishakly of Syria for its reopening.

14 Feb.—Visit of Prime Minister of Iraq (*see Iraq*).

17 Feb.—The Prime Minister, Abdullah Yaffi, tendered the resignation of his Government after severe criticism in a debate on a vote of confidence which ended in a majority of two for the Government (18 to 16). President Shamoun refused to accept the resignation and persuaded Mr Yaffi to continue in office.

LIBYA. 15 Feb.—Government Change. The Prime Minister, Mahmoud Muntasir, tendered the resignation of his Cabinet to King Idris who accepted it and asked Mohammed Saqizly, Chief of the Royal Diwan (Cabinet), to form a new Cabinet.

MALAYA. 6 Feb.—Emergency Figures. It was announced that during January there were twenty-nine serious terrorist attacks—eight

above the monthly average for 1953: 145 terrorists were eliminated during the month—the highest monthly figure since August 1952.

8 Feb.—Communist Party. An official source stated that the Malayan Communist Party's H.Q. had been transferred to Sumatra.

12 Feb.—Sir Thomas Lloyd, Under-Secretary for the Colonies, said in Penang that it was the British Government's policy to promote closer association between the Federation of Malaya and Singapore, but such an association must not be forced: it must result from the wishes of both the Government and people.

MOROCCO. 4 Feb.—French Morocco. The French authorities stated that some forty terrorists had been arrested since the end of December.

A military tribunal sentenced to death eight men charged with attacking a train. Another accused was sentenced to fifteen years' hard labour.

6 Feb.—Gen. Guillaume on reforms (*see France*).

9 Feb.—Gen. Franco's address to Spanish Moroccan leaders (*see Spain*).

11 Feb.—French statement and Franco-Spanish exchange of Notes (*see France*).

13 Feb.—Sidi Hadj Fatmi ben Brama, a deputy of the Pasha of Casablanca, was shot by a terrorist. (He died two days later.) His Moroccan bodyguard was killed outright. The assassin escaped.

French statement (*see France*).

NEPAL. 14 Feb.—Reports reaching Delhi from Khatmandhu stated that King Tribhuvana had by royal proclamation and three enactments reaffirmed his inherent power and royal prerogatives as the supreme executive, legislative, and judicial authority.

NEW ZEALAND. 12 Feb.—Loan by U.S. Export-Import Bank (*see United States*).

NIGERIA. 6 Feb.—Western Nigeria. It was announced that, following disturbances over taxes in the southern Egbado division of Abeokuta province, western Nigeria, the Governor had proclaimed it a prohibited area and had banned the Aiye Peju Society, said to have led the movement to resist payment of taxes.

8 Feb.—Northern Nigeria. The Lieutenant-Governor announced to the northern House of Assembly a £79 m. development plan for the region for 1955-60. The money was to be raised from local sources, from the Colonial Development Fund, and from external sources.

NORTH ATLANTIC TREATY ORGANIZATION. 17 Feb.—The North Atlantic Council appointed Admiral Jerauld Wright, United States Navy, to succeed Admiral McCormick as Allied Supreme Commander, Atlantic, on 12 April.

NORWAY. 7 Feb.—Espionage. The Norwegian wireless announced the arrest in Oslo of a spy gang working for a foreign Power.

ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION. 12 Feb.—The O.E.E.C. published its fifth annual report which included a general survey of the European economy. It concluded that an expansion of production, even though it might entail, in the short term, certain balance of payments difficulties, was necessary if a higher standard of living and a move towards currency convertibility were to become possible. To encourage expansion it recommended increased investments, to be achieved through credit policy and provisions in business taxation. In the longer term major adjustments would be required in the balance of payments between Europe and the United States. The report emphasized that such adjustments on both sides—including those in the fields of tariffs, import restrictions, and foreign investments—should be accomplished smoothly before existing dollar outlays were reduced so that economic expansion in Europe might proceed on a durable basis.

PAKISTAN. 12 Feb.—Swat. The Ruler of Swat signed a new constitution Act and announced his decision to form a council of twenty-five advisers—ten nominated by him and fifteen elected—over which he would preside.

PERSIA. 9 Feb.—Oil. The Government explained in a statement that the prospective visit to Abadan of twenty experts representing eight oil companies was necessitated by the need for a thorough examination of the southern oil installations and for an estimate of the initial expense of reactivating the oil industry. The experts would not visit Tehran and were not authorized to negotiate with the Government.

U.S.S.R. The Russian Ambassador, M. Lavrentiev, returned to Tehran from Russia.

11 Feb.—A group of oil experts, representing the eight major oil companies constituting the proposed consortium for the buying and marketing of Persian oil, arrived in Abadan to inspect the oil installations. It comprised eight British, eight Americans, two Frenchmen, and two Dutchmen.

Gen. Farzanegan, acting Minister of Posts and Telegraphs, stated that an eventual oil settlement would conform to Persian laws. He added that the contracts entered into by the former Government with small companies, though magnified by propaganda, were insignificant commercially, and even so full payment had not been made to Persia.

16 Feb.—Great Britain. The British Chargé d'Affaires signed an agreement for the delivery by a British firm of twenty-four locomotives for which Persia agreed to pay £800,000 after three years in instalments spread over another three years.

RHODESIA AND NYASALAND. 5 Feb.—S. Rhodesia. The strike at the Wankie collieries ended.

9 Feb.—Development. Mr MacIntyre, Federal Finance Minister, told the Federal Assembly that economic development plans for the three territories up to 30 June 1954 involved a total of £120 m. of new expenditure, including £19 m. for the Kafue hydro-electric scheme.

RUMANIA. 8 Feb.—West German-Rumanian trade agreement (*see Germany*).

SAUDI ARABIA. 10 Feb.—United States. King Saud rejected a draft agreement for military aid from the United States.

17 Feb.—The Government announced a ban on flights across Saudi Arabia by aircraft which had previously landed at Israel-controlled airports. It gave a warning that offending aircraft would be forced to land and would be liable to confiscation and other penalties.

SOUTH AFRICA. 5 Feb.—In the resumed 'no confidence' debate Senator Verwoerd, Minister of Native Affairs, said that statistics of inter-racial incidents showed that race relations were better than under the United Party Government. He denied Mr Strauss's statement that, while professing *apartheid*, the Government was in fact allowing the integration of Africans into the general economic life of the country. He said the influx into urban areas was now controlled: *apartheid* would be continued and integration checked.

8 Feb.—The opposition motion of no confidence was defeated by 89 votes to 60.

SPAIN. 5 Feb.—Sentences ranging from fifteen years' to one year's imprisonment were imposed at a court martial on seventeen persons charged with military rebellion and distributing illegal propaganda. The sentences were subject to confirmation.

9 Feb.—Morocco. Gen. Franco received the Grand Vizier and Caliphate officials of the Spanish zone of Morocco who presented him with the gold medal of Tetuan. Gen. Valino, the Spanish High Commissioner was also present. In a reply to the Grand Vizier Gen. Franco expressed Spanish sympathy with the Moroccan leaders' protest at the 'violent action of France' and said that Spain would continue true to the treaties and loyal to her Moroccan brothers. She would defend inflexibly Moroccan unity and the letter and spirit of the agreement, 'not accepting situations or facts which are contrary to our way of thinking and at the same time to international morality and the signed treaties'. He declared that until the force of reason triumphed over the unreason of force the Moroccan zone would continue under the sovereignty of Prince Muley el Mehdi (the Caliph) assisted by the Spanish High Commissioner and the authority of the Majzen and their officials.

11 Feb.—French statement on Morocco and exchange of Notes (*see France*).

12 Feb.—Sentences of up to fifteen years' imprisonment were imposed on eleven Spanish Socialists accused of clandestine activities against the State.

Spain (*continued*)

13 Feb.—Tangier. The Madrid newspaper, A.B.C., demanded, in a leading article, Spanish sovereignty over Tangier, which it called the 'Gibraltar of Africa'.

SUDAN. 12 Feb.—Addressing a crowd in Khartoum on the first anniversary of the Anglo-Egyptian agreement on the Sudan, the Prime Minister, Ismail el Azhari, thanked Egypt for her part in fulfilling the agreement and warned Britain against occupying other people's lands against their wishes. He declared that the freedom of the Sudan would not be complete until foreign troops evacuated the Canal Zone.

17 Feb.—Two Sudanese Ministers flew to Juba in southern Sudan to investigate reports of anti-northern demonstrations.

Egyptian Minister's charges (*see Egypt*).

SYRIA. 5 Feb.—Iraq. It was announced that the Government had asked the Iraqi Government to withdraw their military attaché from Damascus. An official spokesman stated that he had 'carried out acts exceeding the scope of his official duties and which were inconsistent with present circumstances in Syria, thus betraying the confidence placed in him by the Syrian Government'.

Withdrawal of Syrian military attaché (*see Iraq*).

Lebanon. The Syrian authorities closed the Syrian-Lebanese border (but not to foreigners).

10 Feb.—Iraq. Parliament unanimously condemned the plan for Arab federation submitted to the Arab League by the Iraq Prime Minister. Dr Ibrahim al Istiwani, Secretary-General of the Foreign Ministry, expressed Syria's desire to restore economic unity with Lebanon, and urged the Lebanese Government to oppose the partisans of separation. He said Syria's relations with Saudi Arabia and Egypt were excellent: both King Saud and President Nagib had given ample evidence of their support for the regime in Syria. Relations with Iraq were, however, only 'lukewarm'. This was because the Iraq Government had allowed political criminals to carry out subversive activities in Syria aimed at destroying Syrian independence. The Iraq Government had not prevented the Iraq press from publishing 'lies about the Syrian situation' and insulting the Syrian President.

TURKEY. 7 Feb.—Note to Egypt *re* expulsion of Ambassador (*see Egypt*).

UGANDA. 5 Feb.—Sir Andrew Cohen, the Governor, said in his speech at the opening of the Legislative Council that 'while the Government would like to see a new Kabaka elected by the Lukiko (of Buganda) we will not force this'. He promised that the deposition would not deflect the Government from its aim of promoting African advancement by all possible means. While agriculture would continue indefinitely to be the main source of the country's wealth, industrialization would be necessary to reduce dependence on cotton and coffee, but it would not

threaten Africans' land rights, and industrial and mining development would not be permitted to endanger the political development of the country as a primarily African State. Excessive immigration must not be allowed to threaten the character of the people and the colour bar would never be permitted in Uganda.

UNITED NATIONS

Economic Commission for Europe

15 Feb.—Steel. In a review entitled *The European Steel Market in 1953* the E.C.E. noted that while there was a striking increase in steel production in the United Kingdom, Russia, and the United States, there was a significant fall in Belgian, French, and Luxembourg production and a drop of about 400,000 tons in west Germany, while production in Italy remained about the same. It pointed out that the decline in demand was indicated still further by the fact that these countries had a relatively large unused capacity for steel production. It considered however that the decline could be overcome and suggested that the steel industry itself might do more to widen demand particularly through market research and price adjustments, especially in the export field. A policy of restriction, diminution of new investment and modernization could only retard efficiency, raise prices, and reduce demand.

Security Council

5 Feb.—Egyptian 'Blockade' of Israel. Mr Eban (Israel) asked the Council to bring about the immediate and total cessation of all belligerent practices and restrictions by Egypt, both in the Suez Canal and in the Gulf of Akaba. He gave particulars of eight alleged cases of Egyptian seizure or attack since October 1952, and said that the blockade worked principally through the deterrent effect of the Egyptian regulations, which he argued were contrary to the Council's resolution of 1 September 1951. He asked that the Council should establish machinery to enable it to follow up the course of its resolutions, and said that unless Israel received assurances that the restrictions would be immediately cancelled a situation would have been created in which the enforcement measures laid down in the Charter should apply.

Ahmed Galal Eddine Abdel-Razek (Egypt) denied that Egypt had pursued a policy of blockade or confiscation in the Suez Canal. He said that since 1 September 1951 only fifty-five suspected ships had been inspected out of 32,047, i.e. only 17 per cent. Foodstuffs had been added to the contraband list in keeping with accepted international law because of Israel's 'acts of aggression since the beginning of last summer'.

15 Feb.—The Egyptian delegate, Major-General Abdul Hamid Ghaleb, rejected the demand that Egypt should end restrictions on shipping in the Suez Canal and the Gulf of Akaba. He said that fewer than two of every thousand ships passing through the Canal were searched, and that the restrictions had been prompted by the advance of Israeli armed forces to the Gulf of Akaba two weeks after the signing of

United Nations (continued)

the armistice. The Egyptian position remained that no armistice agreement under international law diminished the right of visit, search, and confiscation unless the armistice clearly provided for such restriction, and that the armistice had not ended the legal state of war between the two countries.

Mr Eban, for Israel, asked the President to circulate the text of the Egyptian decree of 1950, restricting the shipping to Israel of strategic supplies, and the amendments in 1953 extending it to comprise food-stuffs. He found the Egyptian arguments essentially a repetition of what the Council had heard and rejected in 1953, and said the position had grown worse since then. The relatively few instances of interference quoted by Gen. Ghaleb were proof of the effectiveness of the blockade. Four countries abutted on the Gulf of Akaba and no one of them could assert exclusive rights to control shipping there.

UNITED STATES. 5 Feb.—Bank Rate. The principal Federal Reserve banks reduced the discount rate from 2 to $1\frac{3}{4}$ per cent.

6 Feb.—Indo-China. The Defence Department announced that in response to a French request for further aircraft it had been decided to accelerate delivery of B26 bomber aircraft to Indo-China. Some 200 ground staff would also be sent.

9 Feb.—Indo-China. Mr Wilson, Secretary of Defence, told the press that no American pilots would be sent to fight in Indo-China.

Germany. The Foreign Operations Administration announced an allotment of \$13 m. to the Federal German Republic for the purchase of American surplus tobacco and cotton. It stated that marks would be accepted in payment and that the money would be applied to building refugee housing in west Germany and west Berlin.

11 Feb.—Foreign Aid. The Foreign Operations Administration announced an allotment under the defence support programme of \$20 m. to Britain for the purchase of agricultural commodities in the dollar area. It also announced an allotment of \$5 m. to Formosa for the purchase of American farm commodities.

Far East. Gen. Hull, U.S. Commander in the Far East, and Mr Allison, U.S. Ambassador to Japan, arrived in Washington for consultations.

12 Feb.—New Zealand. It was announced that the U.S. Export-Import Bank had made a loan of \$16 m. to New Zealand to buy American equipment for the Murupara newsprint and timber project.

15 Feb.—Price Supports. The Secretary for Agriculture announced a cut in dairy price supports resulting in a reduction of about 8 cents per lb. in retail butter prices.

16 Feb.—Unemployment. The Department of Commerce published figures showing that early in January there were more than 3 m. unemployed.

17 Feb.—Atomic Energy Act. President Eisenhower recommended in a Message to Congress amendments to the Atomic Energy Act so as to authorize: (1) the exchange with allies of tactical information essen-

tial to the development of defence plans and to training of personnel for atomic warfare; (2) greater freedom in transmitting to friendly Governments information on the processing of atomic raw materials, reactor development, production of fissionable materials, and related research and development; (3) the exchange of 'restricted data' on the industrial application of atomic energy and also the release of fissionable materials in amounts adequate for industrial and research uses (before transfer assurances would be required that such material would not be used for military purposes); (4) a relaxation of restrictions preventing U.S. citizens from working in foreign countries on the production of fissionable material; (5) modifications in procedures for the control and dissemination of atomic energy information; (6) private investment in reactors so as to encourage the assumption of 'a substantially more significant role' by private industry in the domestic development of atomic energy.

Bricker Amendment. The Senate voted by 44 votes to 43 that all United States treaties should be subject to a court review of their legality under the Constitution. (This was an alteration in Senator Bricker's original amendment which provided that the President's treaty-making powers should be subject to Congressional approval.) Senator Knowland, Republican majority leader, said the new provision was acceptable to the President.

U.S.S.R. 4 Feb.—Trade with Britain. Mr Kabanov, Minister of Foreign Trade, told a group of British business men visiting Moscow that Russia was prepared for a considerable increase of trade with Britain and was prepared to place orders to the value of about £402 m. between 1955 and 1957. The goods wanted included ships, power equipment, machine tools, machinery, raw materials, food, and industrial consumer goods.

6 Feb.—Loan to Finland. An agreement was signed providing for a ten-year loan to Finland of 40 m. roubles in gold or dollars or other agreed currency at 2½ per cent. The Soviet Union also undertook to pay for a part of Finland's export surplus during the current year in western currencies or gold. It was also agreed that negotiations should begin at the end of February for a new long-term trade agreement.

7 Feb.—Kazakhstan. Alma Ata Radio announced the dismissal of the first and second secretaries of the Kazakh Communist Party and their replacement by Moscow officials. Lieut.-Gen. Ponomarenko, Soviet Minister of Culture, replaced Mr Shayakhmetov as first Secretary, and Mr Brezhnev, deputy political director in the Defence Ministry, replaced Mr Afanov as second secretary.

10 Feb.—Communist Party Manifesto. The Communist Party issued a manifesto in connection with the forthcoming elections to the Supreme Soviet. While promising every effort to prevent the outbreak of another war and declaring that foreign policy required 'peace and friendship between all the peoples', it contained a warning on the need to strengthen continuously the armed forces to ensure security and referred to advances in the atomic energy field, 'thereby liquidating the monopoly of the United States'.

U.S.S.R. (continued)

The manifesto quoted the following production figures for heavy industry in 1953: steel, 38 m. tons (twice as much as in 1940); coal, 320 m. tons (double the figure for 1940); oil, 52 m. tons (70 per cent more than in 1940); electric energy, 133,000 m. kilowatt-hours (2·8 times the figure for 1940).

14 Feb.—Anglo-Soviet Trade. Three British industrialists, representing machine tool firms, announced that they had signed contracts for sales to Russia worth £3,500,000 sterling. This brought the total value of Anglo-Soviet trade deals concluded in the past fortnight up to £15·5 m. (The deals were subject, on the British side, to Board of Trade licences, *see also Great Britain*, 16 Feb.)

YUGOSLAVIA. 11 Feb.—Yugoslav decoration for Emperor Haile Selassie (*see Ethiopia*).

Erratum. It is regretted that on the cover of Vol. 10, No. 3 of the CHRONOLOGY the year was incorrectly given as 1953 instead of 1954.